

RELIEF ASSISTANCE

*Agreement and exchange of notes signed at Nanking October 27, 1947
Entered into force October 27, 1947*

61 Stat. 3374; Treaties and Other
International Acts Series 1674

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF CHINA CONCERNING THE UNITED STATES RELIEF ASSISTANCE TO THE CHINESE PEOPLE

WHEREAS, it is the desire of the United States of America to provide relief assistance to the Chinese people to prevent suffering and to permit them to continue effectively their efforts toward recovery; and

WHEREAS, the Chinese Government has requested the United States Government for relief assistance and has presented information which convinces the Government of the United States that the Chinese Government urgently needs assistance in obtaining the basic essentials of life for the people of China; and

WHEREAS, the United States Congress has by Public Law 84, 80th Congress, May 31, 1947,¹ authorized the provision of relief assistance to the people of those countries which, in the determination of the President, need such assistance and have given satisfactory assurance covering the relief program as required by the Act of Congress; and

WHEREAS, the United States Government and the Chinese Government desire to define certain conditions and understandings concerning the handling and distribution of the United States relief supplies and to establish the general lines of their cooperation in meeting the relief needs of the Chinese people;

The Government of the United States of America represented by Ambassador J. Leighton Stuart and the Government of the Republic of China represented by Dr. Liu Shih Shun, Political Vice Minister for Foreign Affairs in charge of the Ministry, have agreed as follows:

¹ 61 Stat. 125.

ARTICLE I

Furnishing of Supplies

(a) The program of assistance to be furnished shall consist of such types and quantities of supplies, and procurement, storage, transportation and shipping services related thereto, as may be determined from time to time by the United States Government after consultation with the Chinese Government in accordance with Public Law 84, 80th Congress, May 31, 1947, and any acts amendatory or supplementary thereto. Such supplies shall be confined to certain basic essentials of life, namely, food, medical supplies, processed and unprocessed material for clothing, fertilizers, pesticides, fuel, and seeds.

(b) Subject to the provisions of Article III the United States Government will make no request, and will have no claim, for payment for United States relief supplies and services furnished under this Agreement.

(c) The United States Government agencies will provide for the procurement, storage, transportation and shipment to China of United States relief supplies, except to the extent that the United States Government may authorize other means for the performance of these services in accordance with the procedures stipulated by the United States Government. All United States relief supplies shall be procured in the United States except when specific approval for procurement outside the United States is given by the United States Government.

(d) The Chinese Government will from time to time submit in advance to the United States Government its proposed programs for relief import requirements. These programs shall be subject to screening and approval by the United States Government and procurement will be authorized only for items contained in the approved programs.

(e) Transfers of United States relief supplies shall be made under arrangements to be determined by the United States Government in consultation with the Chinese Government. The United States Government, whenever it deems it desirable, may retain possession of any United States relief supplies, or may recover possession of such supplies transferred, up to the city or local community where such supplies are made available to the ultimate consumers.

ARTICLE II

Distribution of Supplies in China

(a) All United States relief supplies shall be distributed in accordance with the terms of this Agreement, by the Chinese Government and by established voluntary agencies in China which are agreed upon between the two Governments. Representatives of the United States of America shall have

direct supervision and control of supplies made available by the United States Government under this Agreement.

(b) All United States relief supply imports shall be free of fiscal charges including customs duties up to the point where they are sold for local currency as provided by Article III of this Agreement unless when because of price practices, it is advisable to include customs charges or government taxes in prices fixed, in which case the amount thus collected on United States relief supply imports will accrue to the special account referred to in Article III. All United States relief supply imports given freely to indigents, institutions, and others, and those turned over to voluntary agencies for distribution shall be free of fiscal charges including customs duties.

(c) The Chinese Government will designate a high-ranking official who shall have the responsibility of liaison between the Chinese Government and the United States representatives responsible for the relief program.

(d) United States relief supplies and similar supplies produced locally or imported from outside sources shall be distributed by the Chinese Government and voluntary agencies without discrimination as to race, creed or political belief, and the Chinese Government shall not permit the diversion of any such supplies to non-essential uses or for export or removal from the country while need therefor for relief purposes continues. The Chinese Government shall not permit the diversion of United States relief supplies or an excessive amount of supplies similar to United States relief supplies which are produced locally or imported from outside sources in the maintenance of armed forces.²

(e) The Chinese Government will take appropriate steps regarding the distribution of United States relief supplies and similar supplies produced locally and imported from outside sources designed to assure a fair and equitable share of the supplies to all classes of the people.

(f) A distribution and price-control system shall be inaugurated in such major urban centers of China as circumstances permit, with the intent of insuring that all classes of the population, irrespective of their purchasing power, shall receive a fair share of the imported or indigenously produced relief supplies. In permitting United States relief supplies made available under this Agreement to be utilized in support of Chinese efforts to improve consumption and price controls, it is understood that the United States Government undertakes no responsibility for the success of these urban programs.

ARTICLE III

Utilization of Funds Accruing from Sales of United States Supplies

(a) The prices at which United States relief supplies will be sold in China shall be agreed upon between the Chinese Government and the United States Government.

² For an understanding relating to art. II (d), see exchange of notes, p. 808.

(b) When United States relief supplies are sold for local currency, the amount of such local currency shall be deposited by the Chinese Government in a special account in the name of the Chinese Government.

(c) Until June 30, 1948, such funds shall be disposed of only with the approval of the duly authorized representatives of the United States Government for relief and work relief within China, including local currency expenses of the United States of America incident to the furnishing of relief. Any unencumbered balance remaining in such account on June 30, 1948, shall be disposed of within China for such purposes as the United States Government, pursuant to Act or Joint Resolution of Congress, may determine.

(d) The Chinese Government will, upon request, advance funds against proceeds from the sale of United States relief supplies to the United States representatives, to meet local currency expenses incident to the furnishing of relief, including the operation of the United States Relief Mission in China and certain urgent relief projects being undertaken by Chinese Government organs and voluntary agencies.

(e) While it is not intended that the funds accruing from sales of the United States relief supplies normally shall be used to defray the local expenses of the Chinese Government in handling, transporting internally, and distributing the United States relief supplies, including local currency cost of discharging cargo and other port charges, the United States representatives will consider with the Chinese Government the use of the funds to cover the unusual costs which would place an undue burden on the Chinese Government.

(f) The Chinese Government will each month make available to the United States representatives reports on collections, balances, and expenditures from the fund.

(g) The Chinese Government will assign officials to confer and plan with the United States representatives regarding the disposition of funds accruing from sales to assure a prompt and proper use of such funds.

ARTICLE IV

Effective Production, Food Collections and Use of Resources to Reduce Relief Needs

(a) The Chinese Government will exert all possible efforts to secure the maximum production and collection of locally produced supplies needed for relief purposes.

(b) The Chinese Government will undertake not to permit any measures to be taken involving delivery, sale or granting of any articles of the character covered in this Agreement which would reduce the locally produced supply of such articles and thereby increase the burden of relief.

(c) The Chinese Government will furnish regularly current information to the United States representatives regarding plans and progress in achieving this objective.

(d) The Chinese Government affirms that it has taken and is taking in so far as possible the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction.

ARTICLE V

United States Representatives

(a) The United States Government will send to China the representatives required to discharge responsibilities of the United States Government under this Agreement and the Public Law 84, 80th Congress, May 31, 1947. The Chinese Government will permit and facilitate the movement of the United States representatives to, in or from China.

(b) The Chinese Government will permit and facilitate in every way the freedom of the United States representatives to supervise the distribution of United States relief supplies and to travel, inspect, and report in connection with any matters relating to this Agreement and will cooperate fully with them in carrying out all of the provisions of this Agreement. The Chinese Government will furnish the necessary automobile transportation to permit the United States representatives to travel freely throughout China and without delay.

(c) The United States representatives and the property of the mission and of its personnel shall enjoy in China the same privileges and immunities as are enjoyed by the personnel of the United States Embassy in China and the property of the Embassy and of its personnel.

ARTICLE VI

Freedom of the United States Press and Radio Representatives to Observe and Report

The Chinese Government will permit representatives of the United States Press and Radio to observe freely and report fully and without censorship regarding the distribution and utilization of relief supplies and the use of funds accruing from sale of United States relief supplies.

ARTICLE VII

Reports, Statistics and Information

(a) The Chinese Government will maintain adequate statistical and other records on relief and will consult with the United States representatives, upon their request, with regard to the maintenance of such records.

(b) The Chinese Government will furnish promptly upon request of the United States representatives available information concerning the produc-

tion, use, distribution, importation, and exportation of any supplies which affect the relief needs of the people.

(c) In case United States representatives report apparent abuses or violations of this Agreement, the Chinese Government will investigate and report and promptly take such remedial action as is necessary to correct such abuses or violations as are found to exist.

ARTICLE VIII

Publicity Regarding United States Assistance

(a) The Chinese Government will permit and arrange full and continuous publicity regarding the purpose, source, character, scope, amounts and progress of the United States relief program in China, including the utilization of funds accruing from sales of United States relief supplies for the benefit of the people.

(b) All United States relief supplies and any articles processed from such supplies, or containers of such supplies or articles, shall, to the extent practicable, be marked, stamped, branded, or labelled in a conspicuous place in such a manner as to indicate to the ultimate consumer that such supplies or articles have been furnished by the United States of America for relief assistance; or if such supplies, articles or containers are incapable of being so marked, stamped, branded, or labelled, all practicable steps will be taken by the Chinese Government to inform the ultimate consumer thereof that such supplies or articles have been furnished by the United States for relief assistance.

ARTICLE IX

Termination of Relief Assistance

The United States Government will terminate any or all of its relief assistance at any time whenever it determines (1) by reason of changed conditions, the provision of relief assistance of the character authorized by Public Law 84, 80th Congress, May 31, 1947, is no longer necessary; (2) any provisions of this Agreement are not being carried out; (3) United States relief supplies, or an excessive amount of similar supplies produced locally or imported from outside sources, are being used to assist in the maintenance of armed forces in China;³ or (4) United States relief supplies or similar supplies produced locally or imported from outside sources, are being exported or removed from China. The United States Government may stop or alter its program of assistance whenever in its determination other circumstances warrant such action.

The Chinese Government reserves the right to terminate this Agreement

³ For an understanding relating to art. IX (3), see exchange of notes, p. 808.

whenever it deems that such relief assistance as is provided in this Agreement is no longer necessary.

ARTICLE X

Date of Agreement

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Done in duplicate in the English and Chinese languages at Nanking, this twenty-seventh day of October, 1947, corresponding to the twenty-seventh day of the tenth month of the thirty-sixth year of the Republic of China.

J. LEIGHTON STUART

For the Government of the United States of America

LIU SHIH SHUN

For the Government of the Republic of China

EXCHANGE OF NOTES

The Political Vice Minister of Foreign Affairs to the American Ambassador

THE MINISTRY OF FOREIGN AFFAIRS
REPUBLIC OF CHINA

OCTOBER 27, 1947

EXCELLENCY:

I have the honor to refer to Article II(d) and Article IX(3) of the Agreement between the Republic of China and the United States of America Concerning the United States Relief Assistance to the Chinese People signed today by the representatives of the Governments of China and the United States of America, and to state that it is understood that the right of the Chinese Government to determine the extent of its armed forces and the amount of food and other supplies which it may make available for their use is, of course, fully recognized. The approval of the above-mentioned Agreement will in no way affect this right.

On the other hand, in accordance with Public Law 84 passed by the Eightieth Congress, which authorizes the furnishing of relief assistance, the President of the United States is directed to terminate the provision of the United States relief assistance to the people of any country whenever, in his judgment, an excessive amount of supplies being made available by the United States to the people of any country or of similar supplies produced locally or imported from outside sources, is being used in the maintenance of armed forces in such country.

In the light of this provision of the relief law, the Government of the United States must reserve the right to terminate its relief shipments to

China if, in its determination, an excessive amount of relief supplies or similar supplies produced locally or imported from outside sources is being used for the maintenance of armed forces in China.

It would be appreciated if you would confirm that the above is the understanding of both Governments and forms a part of the aforementioned Agreement.

I avail myself of this opportunity to renew to your Excellency the assurances of my highest consideration.

LIU SHIH SHUN

His Excellency

Dr. J. LEIGHTON STUART
American Ambassador
Nanking

The American Ambassador to the Political Vice Minister of Foreign Affairs

AMERICAN EMBASSY
Nanking, October 27, 1947

No. 1230

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of October 27, 1947 which reads as follows:

[For text of Chinese note, see above.]

I take pleasure in confirming that the understanding as stated in the above quoted note is accepted by the Government of the United States of America as forming a part of the Agreement signed today.

Accept, Excellency, the renewed assurances of my highest consideration.

J. LEIGHTON STUART

Dr. LIU SHIH SHUN,
Political Vice Minister in Charge,
Ministry of Foreign Affairs,
Nanking.